

The Tariff Bill.

SPEECH

OF

HON. JUSTIN S. MORRILL,

OF VERMONT,

DELIVERED

IN THE SENATE OF THE UNITED STATES,

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The Tariff Bill.

The Senate having under consideration the bill (H. R. No. 173) to repeal the duties on salt—

Mr. MORRILL, of Vermont, said:

Mr. PRESIDENT: I have not felt it necessary to prepare any elaborate speech after the opening speeches that have already been heard in the Senate on the subject of the tariff. There are so many data necessary to be considered in giving an opinion upon the questions affecting the revenues and disbursements of a great country like our own, that it is a marvel to me to see with what alacrity and confidence every man I meet steps forward with statements which a single year may show to have had so hurried a birth as to have slaughtered the reputation of the statesman or the financier.

In the United States financial predictions are more perilous than elsewhere, in consequence of the broad field upon which they must be based—a field of untiring activity and commercial enterprise, stretching across half the globe and from polar cold to tropical heat, and linked by trade to the shores of every continent and to all the islands of the sea, and more perilous or uncertain now than ever, because we are lifting up a race of four million people from degradation to civilization, and because we are seeking rest and exemption from the exhaustion and the burdens which never fail to incumber and hang upon the merciless track of war. Labor in the South is in a transition state—dropping the fetters of slavery and assuming the responsibilities of freedom—and the sum total of its products and consumption may confidently be expected to be largely increased as well as largely varied.

In all portions of our country the enormous war issues of paper money gave an artificial stimulus to many enterprises existing before the war, as well as to those generated by the war, and all these cannot be expected to live and flourish when the application of the stimulus is waning, and has in a large measure lost its potency. A healthful trade is always

to be hoped for, and yet depressions and vicissitudes constantly recur. That none have sooner occurred must be attributed mainly to the fact that a war tariff has offered irresistible inducements to labor in all the byways and avenues of human industry. The courage and elasticity of the American people are shown in the magnitude of the length and expense of our railroads, largely built within the last decade, at a cost, up to January 1, 1871, of \$2,620,000,000. If to this vast sum we add the cost of the recent war, it will amount to one half the present assessed value of the entire property of the United States: And yet we have already demonstrated that our national debt, though among the largest, will be extinguished at a much earlier day than that, however small, of any Government in Europe.

Even our present financial difficulty is with our surplus revenue. The problem is, what shall we do with the excess above what we want for ordinary expenses and a proper diminution of the public debt?

I shall largely curtail what I have to say upon this fruitful topic by taking refuge behind the careful estimate of the chairman of the Committee on Finance, as presented in his opening speech, as to the exact amount of our expected receipts and expenditures for the coming year. In round numbers I shall willingly concede, and it is enough to concede, that we can safely reduce our revenue to the extent of \$50,000,000. The Secretary of the Treasury concedes this, although it is partly based upon the assumed growth and prosperity of the country. No competent Secretary of the Treasury ever runs the risk of the misery and disgrace which come from a too rosy calculation of receipts and expenditures. An excess of the former injures nobody, but an excess of the latter crushes not only the people, but the financier. It must be admitted that the Treasury of the United States, like the climate, is subject to great and sudden fluctuations. With our experience here of the facility with which the mercury drops, we ought

not to drop from our resources more than the sum of \$50,000,000. This point being considered as settled, the only question remaining is one of detail.

Nobody wants to pay taxes for the pleasure it gives, and nobody will refuse to pay necessary taxes, even though it be accompanied by a twinge of pain. Nobody expects the perpetual continuance of the extreme duties properly imposed during war, and nobody is ready to insult the country now with the direct proposition of free trade. There are two modes by which our surplus revenues can be easily curtailed—either by reducing the tariff or by cutting off internal taxes. The fact that heretofore we have reduced taxation mainly by the removal of internal revenue duties points out those duties as most onerous to the people, and in a measure guides our action now. The fact that the general sentiment among the people of all parties points in the same direction cannot be disregarded, and conclusively proves that there is no purpose anywhere of abandoning a tariff for the support of the Government or of resorting instead to either internal or direct taxes. The lightest weight which can be imposed through internal taxes is felt to be more oppressive than the heaviest tariff. The universal desire is to set aside internal taxes, of whatever sort, as soon as the exigencies of the Government which called them forth shall have passed away. They have answered a great national purpose, as the reserved power of the country, and will soon be disbanded until again wanted.

This proves another thing equally vital; and that is, that a tariff commensurate with the wants of Government, when relied upon as our chief resource, cannot without endangering our honor be suddenly and largely reduced upon the great bulk of our importations below its present stand-point. True, we are earnestly trying to diminish our expenditures, cutting off every excrescence possible; but still the tariff must remain as our chief resource, and as such it must be pruned by careful and tender hands. The dead branches may be lopped off and the whole made to assume a more symmetrical growth; but the parties who are blindly flinging their tomahawks at the trunk deserve to be put in charge of the Quaker commissioners now laboring to teach the Indians the arts of peace.

I assume, then, that our internal taxes are all to be speedily dismissed with the exception of those on tobacco, cigars, spirits, malt liquors, and possibly stamps. In round numbers we shall then have parted with one half our surplus, and have \$25,000,000 more that can be spared from the tariff.

I think there is almost universal consent that a long list of articles, producing only inconsiderable sums of revenue, and rarely produced or produceable in our own country,

shall be transferred to the free list. This will not only cut off revenue not needed, but diminish the labor and expense of the custom-house department, and, so far as any raw materials are included, it will be advantageous to the industry of the country. The bill reported by the committee, in part guided by the report of the Treasury Department, makes a long stride in this direction, and yet stopping far short of what the committee anticipated, because of the extent and surprising alertness of American thrift. Hardly an item could be proposed to be translated to the free list before it would be found that somewhere in our broad and happy country it had a home and diligent nursing, leading to the conviction that no foundlings are tolerated in American trade. This accounts for the last amendments of the committee, which strike off some items from the free list as originally reported.

For instance, the committee had supposed that our supply of emery came exclusively from Turkey—none two years ago being known to exist in this country—but we soon struck the solid grit of the owners of the emery mine in Hampden county, Massachusetts, which, since 1869, has furnished an unrivaled quality of emery, and in sufficient abundance to supply the world. The price in consequence has gone down from eight cents to five cents per pound.

It was proposed to place phosphorus on the free list—a pound of which is used for the fuse of six hundred thousand lucifer matches—but lo! a Jerseyman has just embarked all the earnings of a mature life in this one venture of making phosphorus, and might succeed if let alone, giving to us besides a cheaper article. It was resolved not to perplex him by fear of change, and the committee illumined his path by still saying "Let your light shine."

Antimony was another of these supposed orphans that we hardly thought had any home, or that anybody would seek to give it protection in this country, especially as it is the base of tartar-emetic, a nauseous dose, but the Pacific railroad, opening the way to Nevada, there discloses a mine of wonderful richness, which promises, with only the ten per cent. duty heretofore attached to it, soon to send along supplies at a price at least a quarter less than that now prevailing. Notwithstanding the regulus of antimony is used to the extent of one sixteenth part in type-metal, a branch of industry it is desirable to favor, it was determined not to provoke a wry face in Nevada, as would be done by placing antimony on the free list.

These are but samples of an extended list of articles found in analogous circumstances. One more, and they will be dismissed. Sumac, a tree or shrub from the bark of which tannin and colors are made, prior to 1861 was brought here entirely from abroad. Recently it has been found in Virginia in great abundance, and gives employment to a considerable num-

ber of people. The petitions presented asked for moderate specific duties, and the least that could be done was not to remove the pittance in the way of such *ad valorem* duties as are now enjoyed. When Virginia asks for protection I do not think we ought to stick in the bark. It might be well to do more.

The free list proposed will make a large addition to that of the existing laws, and contains some items of considerable importance, as tin in bars or blocks, essential oils, jute, charcoal, bleaching-powders, and soda ash. For more than thirty years the manufacture of soda-ash has from time to time been attempted, especially at Pittsburg, but with indifferent success. Either the cost has been too high or the quality too low to give satisfaction. All of the raw materials are not at our command, and it is one thing where America must own beat. Even protection will not reanimate its drowsy production, and our soap-makers, glass-makers, and others should hereafter look to Liverpool for soda-ash and make the best of it.

The addition to the free list will much reduce the number of taxable articles hereafter to be retained in the tariff, and these, in any tariff largely specific, must be considerable; but the falsehood by which they have been exaggerated in relation to our present tariff deserves a passing exposure. A duty, for instance, is imposed upon all leather. Everyone knows that to be a generic term which includes whole classes and all classes of every sort and description of leather, amounting perhaps to fifty or more varieties. In order to make it appear that the tariff was a bloated monster with an interminable tail, these separate varieties are all counted, and soon to the end with everything else to swell the aggregate number of articles said to be enumerated. Of course, when such articles are exempted from duties, they have to be specifically named, although they may not have been so named when the duties were originally imposed. There may be particular things in the free list of the bill before us that should be omitted; but as a whole, I am persuaded, the loss of revenue no longer needed will be much more than compensated by the direct and indirect advantages that will accrue.

About the only propositions in the bill to which I have had any serious objection is the indiscriminate application of the ten per cent. reduction upon wool, metals, and manufactures, as found in the second section of the bill under consideration. It appeared to me that possibly it might have been better to have given an equal amount of reduction by selection, or by reducing the duties upon such articles as are notoriously highest in the rank of protection or percentage, and which it might be supposed could bear it with the least injury. Then, such duties as have been

already once razed, like the duty upon pig iron, of which we ought to double our present domestic supply, might go untouched; or like that on wool, after thirty-five per cent. of the sheep of the country have been slaughtered, and after four years of continued depression and continual loss in the business of sheep-raising, might be left operative at least for one year.

A vast majority of the woollen manufacturers of the country long since made peace with the wool-growing interests. They have had the benefit of a glut in the wool markets of the world, and the major part of them do not unfairly seek to escape from the pinch which the present scarcity has brought about by throwing the burden of this also upon wool-growers. The high cost of cotton and the comparatively low price of wool for the past ten years has created a larger permanent demand for wool, as cotton has been extensively discarded for woollen clothing, and if the business of sheep-husbandry in this country should be crippled or destroyed, the prices of healthy clothing wools would in the end be made dearer the world over. It is against the interests of all branches of agriculture, and against the interest of the woollen manufacturer, to diminish the supply of domestic wools. To be sure, the reduction is very slight, and the farmers are not here to protest against it, but Senators will find them at home protesting loudly.

So far as revenue is concerned, the result would be the same, whether we reduce the tariff in one way or the other, but to me the mode I have suggested appears more commendable.

There is no one, I presume, who expects the whole range of duties to continue forever at the war pitch. To return to low taxation as fast as the circumstances of the country will permit is the imperative duty of all parties, and this process of return had much better be initiated now and in a moderate degree than to wait until nothing less than a revolution will accomplish the purpose. The people demand such a revision of the tariff as will put less money into the Treasury. They do not want to trust it nor us with a dollar which can be spent unnecessarily. We must march up to that point or they will send those who will march beyond. The country will insure its prosperity by an early understanding that this is the order of the day. Let it be understood that we expect to remove taxation at the earliest, and at every proper opportunity, as we have done every year since the close of the war.

But in removing taxation we do not intend to remove it in such a manner as to deprive the American people of employment. We intend to tax foreign luxuries, and make those who use them pay the tax. We intend to give the work of America to American workmen.

The only tangible benefit we can confer upon labor in this country is by a tariff that discriminates in favor of American industry, and our country is now, as it should be hereafter, among all nations the paradise of the laboring man. Not only does he here receive much greater wages, but taking into account the character and quality of his food, clothing, and lodgings, these, as a whole, are cheaper here than anywhere else. He can here support his family, and have more left for their education, travel, and taste than falls to the lot of any French, German, Italian, or English workman.

So far as what is called "revenue reform" conceals free trade under its cloak, it conceals a dagger aimed at the American laborer. The incidental protection given by our tariff—and the main purpose has been always to obtain revenue—has elevated labor throughout half of the civilized world. Employers abroad have had the severest competition with us, not against our products alone, but against the prices we have paid and continue to pay for labor. They have had to raise the wages, not only of common laborers, but of skilled workmen, because otherwise they found them ready to emigrate where labor and skill were more highly appreciated and better rewarded. The world over, the American standard has lifted the wages of labor, and inspired faith and hope among those who live by the sweat of the brow. If our political example has toned down the theories of arbitrary Governments, our tariff and financial policy is entitled to the greater glory of practically dignifying labor and toning up its reward, not only here, but in foreign kingdoms and empires.

The tariff bills which came to us from the House proposed the repeal of all duties upon coal, salt, tea, and coffee, and the ease and simplicity of such legislation captivates legislators as well as the public. The toil of calculating complicated propositions is often good-naturedly shirked, and the removal of the duties upon the necessities of life commands instant and sometimes thoughtless favor. Conceding that the American policy is and should be to make these articles, or most of them, free at the earliest practicable moment, that some of them were only drafted into service during the war, yet is it wise to remove the duties entirely from these articles while the highest war duties remain untouched upon many other equally necessary articles? Our imports are now extravagantly large—over five hundred million dollars, and of this \$150,000,000 comes from Great Britain alone—and were they to be checked by any domestic or commercial disaster, or by any foreign war, our magnificent receipts would become shriveled, and the most stable and reliable resource, if the House proposition be followed, tea and coffee, wholly cut off.

The public debt is not yet all funded at

satisfactory rates of interest, nor have we yet restored gold and silver to the pockets of the people. Under these circumstances it does not appear to be prudent to wholly remove all duties upon these articles at this moment. They may be removed at an early day, but they clearly ought not to be now. True, no financial revulsion is imminent; but if any should occur, the Government ought not to be needlessly exposed and helpless. The revenues upon coffee, tea, and salt may be safely computed in advance, but upon other commodities it is unstable and variable as the winds by which they are wafted to our shores. We have once already largely reduced the duties upon tea and coffee, and feel able to take another step in the same direction, but it is too soon to cut loose entirely from our strongest supports.

Senators who have preceded me have left very little more to be said about the present bill, but there are one or two general points of view, perhaps, worthy of further consideration.

I have recently, by the courtesy of the State Department, had placed in my hands a report presented to the British Parliament of the diplomatic and consular agents abroad "respecting the condition of the industrial classes and the purchase-power of money in foreign countries," and if this document could be placed in the hands of every workingman in America I think it would be productive of infinite service, and its circulation cause all of us to be devoutly thankful that we can claim the United States as our home. It is a document furnished by free-traders. This report extends to nine hundred and forty-six pages, and I shall not attempt to give even a summary of its contents, as I am strongly tempted to do, but content myself with a few extracts taken almost at random, and will begin with—

Prussia, or the North German Confederation:

"To sum up the general average of wages, the daily earnings of a man in permanent employment, at ordinary labor, are 9s. (19 cents) a day in the rural districts and 1s. (24 cents) a day in towns; and for skilled labor from 15s. (30 cents) to 2s. 6d., (64 cents)."

The hours of labor (in a cloth factory) are stated thus:

Firemen and engineers.....	16
Spinners and dyers.....	14
All other hands.....	12

One manufactory is mentioned "where the machinery was kept going night and day—the women worked in relays for sixteen hours consecutively."

Cherbourg, France:

"The laborer in the country, or, as he may be more properly termed, the farm-laborer, may be classed apart. If he is in want of work he attends at one of the country fairs, which are generally held in the month of July. He is hired for the year, and is fed and lodged by his employer, receiving at the end of the term three hundred francs (\$60) for his service.

In the United States any man can earn that in two or three months.

Ragusa, Austria:

"All field labor is done by natives. The pay of olive-field labor is sevenpence (fourteen cents) per day, with plain food (Indian corn, soup, &c.) furnished by the proprietor. Now, as the Ragusan in Peru or California can gain three dollars a day, lives on one, and saves two, emigration from here is attractive."

I should think it would be.

Rome:

"The ordinary wages of the workingman is three pauls (thirty cents) a day, and women get two pauls, (twenty cents.) On good occasions, when there are heavy weights to carry, it is a strange sight to see handsome young women acting as bricklayers' laborers. They were extensively employed in the making of railways."

It is also stated that wages to the agricultural peasants seldom rise to more than three pauls, (thirty cents,) and that in the mountain districts one paul (ten cents) "would be ample." It hardly needed to be added that they are in a "starving condition."

Bergamo, Italy:

The consular agent writes in relation to 19,449 persons employed there in silk, woolen, linen, and other mills:

"The aggregate annual amount of wages was 2,417,120 francs, which would give no more than, excluding fractions, two francs thirty centimes (forty-four cents) a week per head, supposing that all the mills were working constantly. By far the greater number of them, however, are open during less than six months in the year."

Belgium, (April 15, 1871:)

"The use of coffee strongly adulterated with chicory is general; tea is seldom drunk. Sugar is seldom seen, and milk is a luxury afforded by only the better class of workmen."

"Very many have for their entire subsistence but potatoes with a little grease, brown or black bread, often bad, and for their drink the tincture above mentioned."

"More than nine hundred thousand persons, one fifth of the population (of Belgium) are inscribed on the lists of poor relief."

"The majority of the girls who work in the coal-pits have no great sense of decency, and seldom marry without having had two or three children previously."

"In 1867 thirty-five per cent. of the militia (comprising all classes) could neither read nor write."

Many women make nails by hand while their husbands are away in the summer season at work, and many men in the winter do the same from five o'clock in the morning till eight in the evening, and earn at that one franc fifty centimes a day, or twenty-eight cents. The number of agricultural day laborers is, males, 393,123—wages, two francs twenty-five centimes, (forty-three cents;) agricultural day laborers, females, 225,511—wages, one franc, (nineteen cents.) But in the winter season wages are one third less.

I will only add a short table of wages of two or three trades at different points, from the same authority:

DAILY WAGES.

Bricklayers.—Antwerp, 2s. 3d.; Netherlands, 1s.

7d.; Saxony, 3s.; Louisiana, United States, \$3; Pennsylvania, 10s., (\$4).

Carpenters.—Antwerp, 2s. 3d.; Verviers, 2s. 7½c.; Italy, 2s.; Venice, 3s. 4d.; Netherlands, 1s. 6d.; Saxony, 3s.; Louisiana, United States, \$3; Pennsylvania, 11s., (\$2 75.)

Smiths.—Antwerp, 2s. 5d., (58 cents); Verviers, 3s., (56 cents); Italy, 2s. 5½c., (48 cents); Venice, 2s. 6d., (60 cents); Netherlands, 1s. 4d., (32 cents); Saxony, 2s. 6d., (60 cents); Louisiana, United States, \$4; Pennsylvania, 11s., (\$2 75.)

Let it be remembered that these wages in many instances are from thirty to fifty per cent. more, as is stated, than they were only a few years back, and it will be easily understood why some articles have been and yet can be produced abroad, not with less labor, but for less money than in the United States. I would not give to any branch of industry in our country such advantages as would enable it to pay twice and thrice as much as can be paid by agriculture or by commerce for an equal amount of labor, but I would preserve for all higher pay and more of the comforts of life than we see by the indubitable proofs here presented can be extracted from the institutions and policies of the Old World. Is there a Senator with a proud and throbbing American heart in his bosom who would counsel any measure tending to bring American workmen down to the level of that large portion of the human race whose pitiful wages and pitiful fare the report of the British Parliament has so recently and so fully disclosed? If our vantage ground is not to be attributed largely to the tariff, from whence does it come? Mexico is part of the New World, but what of it? The republics of South America are not very dissimilar in their forms of government to our own, but they do not excite our envy. Does distance lead to us alone its enchantment? Brazil and the Argentine Republic are much further away, but unattended by any distinctive prosperity. The Dominion of Canada is peopled by a kindred race, long ruled by free trade and now only half protected, but do they lead the world?

Make whatever other liberal credits you will, Mr. President, and still the policy of giving American work to American workmen, and giving American wages therefor, must have the foremost credit in the promotion of the material prosperity of the country, and the material prosperity of workmen is the sure forerunner of moral prosperity.

The tariff laws since 1861 have been changed, almost as far as possible, from the system of *ad valorem* to specific duties, and the statesmen of all nations agree that the latter for revenue are more reliable, and for protection much superior, as affording most when most is needed, while the former give the least when the most is needed. An *ad valorem* duty, in fact, under the cunning practices of trade, is a general invitation to fraud, or a notice that the door is open. The question as to

specifics, however, may be considered beyond the region of discussion. It has been decided.

When the difference in value of the same article has been too great to admit of one specific rate only, mixed or compound duties, in spite of noisy objections when first introduced, have been found entirely acceptable. They can be understood except by those for whom to furnish an understanding would be too great an outlay by Congress.

Take cast steel as an example. The duty, when the value is seven cents or less, is two and a quarter cents per pound; when the value is over seven cents and not over eleven cents, three cents per pound; and when the value is over eleven cents, it is three and a half cents per pound, and in addition ten per cent. *ad valorem*. It would be supposed that such duties would be very difficult to be evaded, and so they are; yet under the last Administration the Sheffield makers of steel, with the aid of supple New York houses, partners, agents, or consignees, contrived to put many thousands of dollars into foreign pockets by evasion, until they were discovered and exposed by a Treasury agent, aided by Consul Abbott, one of the best officers ever in our foreign service. The process was to invoice the steel at seven cents, or at a little under eleven cents per pound, when it would escape the next higher scale of duties. The parties being the owners of the steel, as well after as before it was shipped, could fix the price at what they pleased without reference to the law, which requires the assessment of duties upon the market value of merchandise at the last place of shipment. Our consul, however, got parties on the continent to apply as purchasers for the same brands of steel, and thus obtained its real market price from the adroit vendors themselves, which proved to be, as was well known it would, far above that fixed for the American market. The bad excuse made was that it was the general practice among the English makers of steel to put down the price for the American market. No actual sales were made at these low rates, but this trickery was necessary in order to keep the American trade. This stealage was at length stopped, but, of course, the parties were affronted, and I hope the accomplished consul will not suffer for a faithful performance of duty.

The sharp profits of the New York agents or consignees were dulled, and of course they,

too, were affronted—highly affronted. I do not state it as a fact, because I do not know it to be so, but I have been told that it is to the promptings and activity of these New York houses that we are indebted for the numerous petitions received the past winter in relation to the tariff and custom-house matters—commonly known as the “yellow-covered literature” of the season—and which came with such precision, so elegantly decorated and enveloped, as to attract the attention of all the pages in the Senate.

It is true that nearly all of the complaint in relation to the tariff, whether in regard to fundamental principles or details, comes from or is generated in New York; but if importers could exempt themselves from all custom-house duties, the Government would still have to be supported, and it is very doubtful if these parties were forced to contribute an equitable share of any other taxes of equal magnitude, or \$29,000,000 annually for the share of the State of New York, whether their woe and grief would not be far more serious and more worthy of congressional pity. Free trade might temporarily increase the profits of New York, but it would be at the expense of the great heart of the country, and the permanent prosperity of the city is dependent wholly upon that of the country at large. Undermine that and the greatest of American cities would follow in the wake of Tyre and Sidon.

Astate as well as puny critics may assail the perfection of some ailing section of law; theorists, as well as those who should be statesmen, may denounce the practical wisdom of some public functionary; closet amateurs, and some legislators may concoct ideal measures for undiscovered Utopias, but it will be admitted by general acclamation that under the present Administration, under present laws, the revenues have been honestly collected and honestly paid out. The fact that we have repealed since the close of the war taxes yielding over two hundred million dollars, and have in less time paid \$300,000,000 of the public debt, and now have a surplus revenue to dispose of amounting annually to \$100,000,000 more, makes a buckler too strong to be pierced by the small wooden-headed arrows of detraction, and will vindicate the wisdom of the congressional enactments which brought about these grand results, standing to our credit as they will stand in all the pages of future history.